

21 C.J.S. Courts § 30

Corpus Juris Secundum | May 2023 Update

Courts

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II. Jurisdiction of Courts

C. Jurisdiction of Subject Matter or Cause of Action

2. Amount in Controversy Within Subject Matter Jurisdiction

b. Determination of Amount in Controversy Within Subject Matter Jurisdiction

§ 30. Interest included as amount in controversy for subject matter jurisdiction

[Topic Summary](#) | [References](#) | [Correlation Table](#)

West's Key Number Digest

West's Key Number Digest, [Courts](#)  121(5), 169(4)

In general, accrued interest may be added to the principal of a claim in the determination of the amount in controversy unless the law fixes the jurisdiction at a certain amount exclusive of interest.

In some jurisdictions, if the law does not expressly exclude interest in making up the jurisdictional amount, interest due upon the amount involved at the time the action is brought may be added to determine the amount in controversy for jurisdictional purposes.¹ Other state statutes provide, however, that accrued interest is not normally considered in determining the amount in controversy for jurisdictional purposes, under provisions fixing the court's jurisdictional limitations exclusive of interest.² Under a provision to that effect, interest cannot be included in the equation used to calculate the amount in controversy for purposes of the court's jurisdiction under a demand for an

unspecified value of interest on the purported value of property below the court's jurisdictional threshold.³ Under exclusionary provisions, no distinction is made between interest imposed as a penalty for delay in payment and interest exacted as the agreed upon price for the hire of money, nor for situations in which the interest is an essential ingredient or integral part of the plaintiff's principal claim rather than a mere accessory demand; the statutory exclusion applies regardless.⁴ Under some statutes, however, while interest sought *eo nomine* is not taken into account in determining the jurisdiction of the court, interest sought as an element of damages is included.⁵

In other jurisdictions, accrued interest is included in the calculation for jurisdictional purposes and thus is added to the principal amount claimed on an action,⁶ and interest allegedly due on note is part of the amount sought to be recovered for purposes the court's jurisdictional limit, excluding only court awarded interest.⁷ However, interest sought in an action on a promissory note could not be included for purposes of determining if the court's jurisdictional limit was exceeded when the interest was merely court-awarded interest and not a right to interest pursuant to the note.⁸

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Footnotes

- 1 Iowa—*Electra Ad Sign Co., Inc. v. Cedar Rapids Truck Center*, 316 N.W.2d 876 (Iowa 1982).
- 2 Ark.—*Piper v. Potlatch Federal Credit Union*, 2009 Ark. App. 701, 371 S.W.3d 704 (2009).

Haw.—*Wong v. General Telcourier, Inc.*, 92 Haw. 209, 990 P.2d 107 (Ct. App. 1999).

La.—*Utility Fabricators, Inc. v. Hobart Const. Co., Inc.*, 517 So. 2d 450 (La. Ct. App. 1st Cir. 1987).

Tex.—*Serrano v. Francis Properties I, Ltd.*, 411 S.W.3d 661 (Tex. App. El Paso 2013), review dismissed w.o.j., (Oct. 24, 2014).

Prejudgment interest excluded by statute
Haw.—*Jen-Pac Travel Service, Inc. v. Fung Lee Kwong Co., Ltd.*, 72 Haw. 228, 814 P.2d 393 (1991).
- 3 Tex.—*Hammonds v. Camp*, 2004 WL 769373 (Tex. App. Amarillo 2004).
- 4 Haw.—*Wong v. General Telcourier, Inc.*, 92 Haw. 209, 990 P.2d 107 (Ct. App. 1999).
- 5 Tex.—*Weidner v. Sanchez*, 14 S.W.3d 353 (Tex. App. Houston 14th Dist. 2000).
- 6 N.Y.—*McPartland v. Young*, 31 Misc. 3d 1237(A), 930 N.Y.S.2d 175 (Dist. Ct. 2011).

Ohio—*Mountain States Adjustment v. Nath*, 2011-Ohio-6810, 2011 WL 6930325 (Ohio Ct. App. 6th Dist. Erie County 2011).
- 7 N.Y.—*Teachers Federal Credit Union v. Leal*, 43 Misc. 3d 1217(A), 992 N.Y.S.2d 161 (Dist. Ct. 2014).

Contrary authority

The statutory definition of interest for this purpose does not evince a legislative intent to distinguish contractually agreed interest and court awarded interest, including both in calculations of the jurisdictional amount.

N.Y.—*McPartland v. Young*, 31 Misc. 3d 1237(A), 930 N.Y.S.2d 175 (Dist. Ct. 2011).

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N.Y.—*Metrotran Advertising Trust Fund v. Cado Trans., Inc.*, 156 Misc. 2d 725, 601 N.Y.S.2d 684 (N.Y. City Civ. Ct. 1993).

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